

世界傳道會

那打素基金

CWM/Nethersole Fund

財政報告

Audited Financial Statements
(2007-2010)Deloitte
德勤INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES OF THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
(Incorporated under Agreement between the Council for World Mission and
the Board of Governors of the Alice Ho Miu Ling Nethersole Charity Foundation)

We have audited the consolidated financial statements of the Board of Trustees of the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund (the "Fund") and its subsidiary set out on pages 3 to 19, which comprise the consolidated balance sheet and the balance sheet of the Fund as at 31 March 2008, and the consolidated income and expenditure account, and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustees' responsibility for the financial statements

The Board of Trustees of the Fund are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES OF THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND (THE "FUND") - continued
(Incorporated under Agreement between the Council for World Mission and
the Board of Governors of the Alice Ho Miu Ling Nethersole Charity Foundation)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2008 and of its result and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
5 August 2008

**THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	NOTES	2008 HK\$	2007 HK\$
Income			
Bank interest income		602,425	1,171,082
Bond interest income		5,902,079	4,913,468
Dividend income		7,451,054	9,959,243
Fair value gain on investment property		15,400,000	100,000
Gain on disposal of financial assets at fair value through profit or loss		52,372,450	76,095,620
Net unrealised gain on financial assets at fair value through profit or loss		6,904,754	3,634,880
Other income		25,069	-
Rental income		672,750	495,152
		89,330,581	96,369,445
Less: Expenditures		(22,096,536)	(19,849,707)
Surplus for the year before transfer		67,234,045	76,519,738
Transfers from:			
Accumulated Fund, Income Fund and General Fund		18,314,524	17,110,684
Surplus for the year		85,548,569	93,630,422
Allocation to:			
Original Trust Fund	10	36,069,983	46,345,710
Accumulation Fund, Income Fund and General Fund	11	49,478,586	47,284,712
		85,548,569	93,630,422

THE COUNCIL FOR WORLD MISSION/Alice
HO MIU LING NETHERSOLE HOSPITAL FUNDCONSOLIDATED BALANCE SHEET
AT 31 MARCH 2008

	NOTES	2008 HK\$	2007 HK\$
Non-current assets			
Investment property	6	30,000,000	14,600,000
Financial assets at fair value through profit or loss	8	545,105,758	520,305,343
		<u>575,105,758</u>	<u>534,905,343</u>
Current assets			
Accounts receivable and deposits		19,430,504	14,868,842
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		147,082	149,977
Bank balances and cash	9	36,137,934	27,132,921
		<u>55,715,520</u>	<u>42,151,740</u>
Current liabilities			
Accounts payable and accruals		2,136,747	15,606,597
Current assets less current liabilities		<u>53,578,773</u>	<u>26,545,143</u>
Net assets		<u>628,684,531</u>	<u>561,450,486</u>
Financed by:			
Original Trust Fund	10	240,164,761	258,216,272
Accumulation Fund, Income Fund and General Fund	11	388,519,770	303,234,214
		<u>628,684,531</u>	<u>561,450,486</u>

The consolidated financial statements on pages 3 to 19 were approved and authorised for issue by the Board of Trustee on 5 August 2008 and are signed on its behalf by:



TRUSTEE



TRUSTEE

THE COUNCIL FOR WORLD MISSION/Alice
HO MIU LING NETHERSOLE HOSPITAL FUNDBALANCE SHEET
AT 31 MARCH 2008

	NOTES	2008 HK\$	2007 HK\$
Non-current assets			
Investment property	6	30,000,000	14,600,000
Investment in a subsidiary	7	10	10
Financial assets at fair value through profit or loss	8	545,105,758	520,305,343
		<u>575,105,768</u>	<u>534,905,353</u>
Current assets			
Accounts receivable and deposits		19,430,504	14,868,842
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		147,082	149,977
Amount due from a subsidiary		150,005	127,989
Bank balances and cash		36,013,662	27,030,665
		<u>55,741,253</u>	<u>42,177,473</u>
Current liabilities			
Accounts payable and accruals		2,136,747	15,606,597
Current assets less current liabilities		<u>53,604,506</u>	<u>26,570,876</u>
Net assets		<u>628,710,274</u>	<u>561,476,229</u>
Financed by:			
Original Trust Fund	10	240,164,761	258,216,272
Accumulated Fund, Income Fund and General Fund	11	388,545,513	303,259,957
		<u>628,710,274</u>	<u>561,476,229</u>



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THE COUNCIL FOR WORLD MISSION/Alice
HO MIU LING NETHERSOLE HOSPITAL FUNDCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008

	2008 HK\$	2007 HK\$
OPERATING ACTIVITIES		
Surplus for the year before transfer	67,234,045	76,519,738
Adjustments for:		
Bank interest income	(602,425)	(1,171,082)
Bond interest income	(5,902,079)	(4,913,468)
Dividend income	(7,451,054)	(9,959,243)
Fair value gain on investment property	(15,400,000)	(100,000)
Gain on disposal of financial assets at fair value through profit or loss	(52,372,450)	(76,095,620)
Net realised gain on fair value change on financial assets at fair value through profit or loss	(6,904,754)	(3,634,880)
Operating cash flows before movements in working capital	(21,398,717)	(19,354,555)
Increase in accounts receivable and deposits	(4,561,662)	(12,818,781)
Decrease in amount due from Alice Ho Miu Ling Nethersole Charity Foundation	2,895	16,698
Decrease in accounts payable and accruals	(13,469,850)	(70,704)
NET CASH USED IN OPERATING ACTIVITIES	(39,427,334)	(32,227,342)
INVESTING ACTIVITIES		
Decrease (increase) in financial assets at fair value through profit or loss	34,476,789	(6,301,105)
Bond interest income received	5,902,079	4,913,468
Bank interest income received	602,425	1,171,082
Dividend received	7,451,054	9,959,243
NET CASH FROM INVESTING ACTIVITIES	48,432,347	9,742,688
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,005,013	(22,484,654)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	27,132,921	49,617,575
CASH AND CASH EQUIVALENTS AT END OF THE YEAR REPRESENTED BY BANK BALANCES AND CASH	36,137,934	27,132,921

THE COUNCIL FOR WORLD MISSION/Alice
HO MIU LING NETHERSOLE HOSPITAL FUNDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. GENERAL

The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund (the "Fund") was established on 19 September 1997 with an endowment of HK\$465,234,061 by agreement between the Council for World Mission and the Board of Governors of the Alice Ho Miu Ling Nethersole Charity Foundation, previously known as the Executive Committee of the Alice Ho Miu Ling Nethersole Hospital. The Fund is governed by a Trust Deed dated 19 September 1997 that supports projects which help implement the Fund's objectives of spreading the knowledge of Christ throughout Hong Kong and China. The Fund is managed by the Board of Trustees. The address of the registered office and principal place of operation of the Fund is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories.

No statement of changes in equity is presented as there were no changes in the Fund's reserves other than the net surplus during both years.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Fund has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Fund's financial year beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 financial reporting in hyperinflationary economies
HK(IFRIC) - INT 8	Scope of HKFRS 2
HK(IFRIC) - INT 9	Reassessment of embedded derivatives
HK(IFRIC) - INT 10	Interim financial reporting and impairment

The adoption of these new HKFRSs had no material effect on how the results and financial position of the Fund for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Fund has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING
STANDARDS ("HKFRSs") - continued

The Fund has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²
HKFRS 2 (Amendment)	Vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business combinations ²
HKFRS 8	Operating segments ¹
HK(IFRIC) - INT 11	HKFRS 2: Group and treasury share transactions ³
HK(IFRIC) - INT 12	Service concession arrangements ⁴
HK(IFRIC) - INT 13	Customer loyalty programmes ⁵
HK(IFRIC) - INT 14	HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction ⁴

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective for annual periods beginning on or after 1 March 2007.

⁴ Effective for annual periods beginning on or after 1 January 2008.

⁵ Effective for annual periods beginning on or after 1 July 2008.

The Board of Trustees of the Fund anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value as explained in the accounting policies set out below.

In addition, the consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiaries controlled by the Fund. Control is achieved where the Board of Trustee of the Fund has the power to govern the financial and operating policies of a subsidiary so as to obtain benefit from its activities.

All significant inter-company transactions, balances, income and expenses within the Fund are eliminated on consolidation.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Donations are recognised when the funds have been received.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is measured using the fair value model. Gain or loss arising from changes in the fair value of investment property is included in the income and expenditure account for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income and expenditure account in the period in which the item is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset in financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Fund's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including amount due from Alice Ho Miu Ling Nethersole Charity Foundation, accounts receivable and deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. (See accounting policy on impairment of financial assets below).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") are financial assets held for trading and is classified if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in consolidated income and expenditure account includes any dividend or interest earned on the financial assets.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, or it becomes probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial asset, such as accounts receivable and deposits, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Fund's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss is recognised in the consolidated income and expenditure accounts when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable and deposits, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidation income and expenditure accounts. When an accounts receivable and deposits are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the consolidation income and expenditure account.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through the consolidation income and expenditure account to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Fund after deducting all of its liabilities. The Fund's financial liabilities are generally classified as other financial liability including accounts payable and accruals are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Fund has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the consolidated income and expenditure account.

For financial liabilities, they are removed from the Fund's consolidated balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or other liabilities assumed is recognised in the consolidated income and expenditure account.

Impairment

At each balance sheet date, the Fund reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised in the consolidated income and expenditure account on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating leases are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease terms.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Fund's accounting policies which are described in note 3, Board of Trustees have made various estimates based on past experience, expectations of the future and other information. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Fair value of financial asset through profit or loss

The fair value of financial asset through profit or loss is based on market prices quoted from financial institutions for equivalent instruments at the balance sheet date. The amount is estimated by using a discount cash flow model which incorporate market data, discount rates and other assumptions. Should these assumptions be changed, there would be material changes to the carrying amount of the financial asset through profit or loss.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	<u>2008</u> HK\$	<u>2007</u> HK\$
Financial assets		
FVTPL - held for trading	545,105,758	520,305,343
Loans and receivables (including bank balance and cash)	55,715,520	42,151,740
	<u>600,821,278</u>	<u>562,457,083</u>
Financial liabilities		
Amortised cost (including accruals)	<u>2,136,747</u>	<u>15,606,597</u>

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

5. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies

The Fund's major financial instruments include account receivables and deposits, bank balances and cash and account payables and accruals. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (mainly currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Trustees manages and monitors these expenses to ensure appropriate measures are implemented on a timely and effective manner.

Market risk*Currency risk*

Certain bank balances, FVTPL and accounts receivables are denominated in foreign currencies mainly in United States Dollar ("USD") and Euro ("EUR") at the consolidated balance sheet which expose the Fund to foreign currency risk.

The carrying amounts of the Fund's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2008 HK\$	2007 HK\$	2008 HK\$	2007 HK\$
USD	-	10,103,806	181,072,410	162,620,848
EUR	-	-	10,466,761	5,519,176

The Fund currently does not have a foreign currency hedging policy but the Trustees monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Fund mainly exposes to currency of USD. Under the linked exchange rate system, the financial impact on exchange difference between Hong Kong dollars and USD will be immediately.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

5. FINANCIAL INSTRUMENTS - continued

Financial risk management objectives and policies - continued**Market risk - continued***Interest rate risk*

The Fund's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The Trustees consider the Fund's exposure of short-term bank deposits to interest rate risk is not significant as interest bearing bank balances are within short maturity period.

Credit risk

At 31 March 2008, the Fund's maximum exposure to credit risk, which will cause a financial loss to the Fund due to failure to discharge an obligation by the counterparties, is arising from the carrying amount of the respective financial assets as stated in the balance sheet. In order to minimise the credit risk, the management of the Fund has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Fund reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Trustees consider that the Fund's credit risk is significantly reduced.

The credit risk on bank deposits and balances exposed to consider minimal as such amounts are placed with bank with good credit ratings.

Liquidity risk

In the management of the liquidity risk, the Trustee monitors and maintains a level of cash and cash equivalents deemed adequate by the Trustee to finance the Fund's operations and mitigate the effects of fluctuations in cash flows.

Fair value

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices or rates from observable current market transactions as input.

The Trustees consider the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

6. INVESTMENT PROPERTY

FAIR VALUE	GROUP AND FUND	
	2008 HK\$	2007 HK\$
As at 1 April	14,600,000	14,500,000
Increase in fair value	15,400,000	100,000
As at 31 March	30,000,000	14,600,000

The fair value of the Fund's investment property as at 31 March 2008 has been arrived at on the basis of a valuation carried out on that date by RHL Appraisal Limited, independent qualified professional valuers not connected with the Fund. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

The Fund's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property. The carrying value of investment property comprises property interest situated in Hong Kong under long lease.

7. INVESTMENT IN A SUBSIDIARY

	FUND	
	2008 HK\$	2007 HK\$
Unlisted shares, at cost	10	10

Details of the subsidiary are as follows:

Name of subsidiary	Place of incorporation	Principal activities and place of operation	Particular of issued share capital	Interest held directly
CWM/Nethersole Investment Company Limited	Hong Kong	Acting as trustee	10 ordinary shares of HK\$1 each	100%

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

FVTPL investments at 31 March 2008 comprises:

	Original Trust Fund HK\$	Accumulation Fund, Income Fund and General Fund HK\$	Total HK\$
Listed investments			
- Listed equity securities	132,054,882	162,492,623	294,547,505
- Listed debt securities	82,813,787	89,657,303	172,471,090
- Fund investments	10,787,859	67,299,304	78,087,163
Total	225,656,528	319,449,230	545,105,758

9. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Fund and short-term bank deposits with an original maturity of three months or less. The bank deposits carried at the prevailing market interest rates for both years.

10. ORIGINAL TRUST FUND

	GROUP AND FUND	
	2008 HK\$	2007 HK\$
As at 1 April	258,216,272	252,241,479
Less : Transfer to Accumulation Fund, Income Fund and General Fund funds transfer (note (a))	(19,966,810)	(19,966,810)
Transfer to realised gain and income transfer (note (b))	(34,154,684)	(20,404,107)
Surplus for the year	(54,121,494)	(40,370,917)
As at 31 March	36,069,983	46,345,710
	240,164,761	258,216,272

(a) The transfer of funds represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.

(b) The transfer of realised gain and income are approved by the Trustees and in accordance with the Trust Deed.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

11. ACCUMULATION FUND, INCOME FUND AND GENERAL FUND

	GROUP	
	2008 HK\$	2007 HK\$
As at 1 April	303,234,214	232,689,269
Add: Transfer from Original Trust Fund funds transfer (note (a))	19,966,810	19,966,810
Transfer from realised gains and income transfer (note (b))	34,154,684	20,404,107
	54,121,494	40,370,917
Surplus for the year	49,478,586	47,284,712
Less: Donations	(18,314,524)	(17,110,684)
Net surplus for the year	31,164,062	30,174,028
As at 31 March	388,519,770	303,234,214

	FUND	
	2008 HK\$	2007 HK\$
As at 1 April	303,259,957	232,715,012
Add: Transfer from Original Trust Fund funds transfer (note (a))	19,966,810	19,966,810
Transfer from realised gains and income transfer (note (b))	34,154,684	20,404,107
	54,121,494	40,370,917
Surplus for the year	49,478,586	47,284,712
Less: Donations	(18,314,524)	(17,110,684)
Net surplus for the year	31,164,062	30,174,028
As at 31 March	388,545,513	303,259,957

(a) The transfer of fund represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.

(b) The transfer of realised gains and income are approved by the Trustees and in accordance with the Trust Deed.

12. TAXATION

No taxation is provided as the Fund is exempt from taxation under the Inland Revenue Ordinance.

THE COUNCIL FOR WORLD MISSION/ALICE
HO MIU LING NETHERSOLE HOSPITAL FUND

13. APPROVAL OF FUNDING FOR PROJECTS

During the year, the Trustee has approved amounting to approximately HK\$18.3 million (2007: HK\$17.1 million) funding to a total of 68 applications (2007: 68 applications).

At 31 March 2008, the approved but not paid donations was amounted to HK\$300,000 (2007: HK\$503,000).

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower I, 18 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslco.com**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF****THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

We have audited the consolidated financial statements of the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund (the "Fund") set out on pages 2 to 19, which comprise the consolidated balance sheet and the balance sheet of the Fund as at 31st March 2009, and the consolidated income and expenditure account, income and expenditure account of the Fund, consolidated statement of changes in equity and the statement of changes in equity of the Fund and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustees' responsibility for the financial statements

The Board of Trustees of the Fund are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Fund and of the Group as at 31st March 2009 and of the deficit of the Fund and the deficit and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards.

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 27th August 2009.

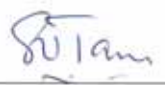
**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2009

	Note	2009 HK\$	2008 HK\$
INCOME			
Gross rental income		731,952	672,750
Dividend income		6,630,924	7,451,054
Interest income			
Bonds		4,911,162	5,902,079
Banks and investment agents		224,010	602,425
Donations received		71,640	7,710
		<u>12,569,688</u>	<u>14,636,018</u>
(Decrease)/Increase in fair value of investment properties		(7,500,000)	15,400,000
(Loss)/Gain on disposal of financial assets at fair value through profit or loss		(7,549,824)	52,372,450
(Loss)/Gain on change in fair value of financial assets at fair value through profit or loss		(122,792,394)	6,904,754
(Loss)/Gain on foreign exchange		(145,450)	17,359
		<u>(125,417,980)</u>	<u>89,330,581</u>
ADMINISTRATION AND OTHER EXPENSES		<u>(24,470,872)</u>	<u>(22,096,536)</u>
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TRANSFER OF FUND		<u>(149,888,852)</u>	<u>67,234,045</u>
AMOUNTS TRANSFERRED FROM ACCUMULATED FUND, INCOME FUND AND GENERAL FUND		<u>21,042,598</u>	<u>18,314,524</u>
(DEFICIT)/SURPLUS FOR THE YEAR	3	<u>(128,846,254)</u>	<u>85,548,569</u>
Allocation of funds:			
Original Trust Fund	11	(41,371,685)	36,069,983
Accumulation fund, Income Fund and General Fund	12	(87,474,569)	49,478,586
		<u>(128,846,254)</u>	<u>85,548,569</u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
CONSOLIDATED BALANCE SHEET AT 31ST MARCH 2009

	Note	HKS	2009 HKS	2008 HKS
NON-CURRENT ASSETS				
Investment properties	6		22,500,000	30,000,000
CURRENT ASSETS				
Financial assets at fair value through profit or loss	8	384,030,927		545,105,758
Accounts receivable and deposits	9	1,825,312		19,430,504
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		4,698		147,082
Bank and cash balances and deposits with investment agents		70,924,298		36,137,934
		456,785,235		600,821,278
Less: CURRENT LIABILITIES				
Accounts payable and accruals	10	489,556		2,136,747
NET CURRENT ASSETS			456,295,679	598,684,531
NET ASSETS			478,795,679	628,684,531
<i>representing:</i>				
RESERVES				
Original Trust Fund	11		134,280,761	240,164,761
Accumulation Fund, Income Fund and General Fund	12		344,514,918	388,519,770
			478,795,679	628,684,531

Approved by the Board of Trustees on 27th August 2009.


Trustee


Trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2009

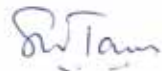
	Note	2009 HKS	2008 HKS
INCOME			
Gross rental income		731,952	672,750
Dividend income		6,630,924	7,451,054
Interest income			
Bonds		4,911,162	5,902,079
Banks and investment agents		224,010	602,425
Donations received		71,640	7,710
		12,569,688	14,636,018
(Decrease)/Increase in fair value of investment properties		(7,500,000)	15,400,000
(Loss)/Gain on disposal of financial assets at fair value through profit or loss		(7,549,824)	52,372,450
(Loss)/Gain on change in fair value of financial assets at fair value through profit or loss		(122,792,394)	6,904,754
(Loss)/Gain on foreign exchange		(145,450)	17,359
		(125,417,980)	89,330,581
ADMINISTRATION AND OTHER EXPENSES		(24,470,872)	(22,096,536)
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TRANSFER OF FUND		(149,888,852)	67,234,045
AMOUNTS TRANSFERRED FROM ACCUMULATED FUND, INCOME FUND AND GENERAL FUND		21,042,598	18,314,524
(DEFICIT)/SURPLUS FOR THE YEAR	3	(128,846,254)	85,548,569
Allocation of funds:			
Original Trust Fund	11	(41,371,685)	36,069,983
Accumulation fund, Income Fund and General Fund	12	(87,474,569)	49,478,586
		(128,846,254)	85,548,569

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

BALANCE SHEET AT 31ST MARCH 2009

	Note	2009 HK\$	2008 HK\$
NON-CURRENT ASSETS			
Investment properties	6	22,500,000	30,000,000
Subsidiary company	7	10	10
		<u>22,500,010</u>	<u>30,000,010</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	8	384,030,927	545,105,758
Accounts receivable and deposits	9	1,990,325	19,580,509
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		4,698	147,082
Bank and cash balances and deposits with investment agents		<u>70,785,018</u>	<u>36,013,662</u>
		456,810,968	600,847,011
Less: CURRENT LIABILITIES			
Accounts payable and accruals	10	<u>489,556</u>	<u>2,136,747</u>
NET CURRENT ASSETS		<u>456,321,412</u>	<u>598,710,264</u>
NET ASSETS		<u>478,821,422</u>	<u>628,710,274</u>
<i>representing:</i>			
RESERVES			
Original Trust Fund	11	134,280,761	240,164,761
Accumulation Fund, Income Fund and General Fund	12	<u>344,540,661</u>	<u>388,545,513</u>
		<u>478,821,422</u>	<u>628,710,274</u>

Approved by the Board of Trustees on 27th August 2009.



Trustee



Trustee

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2009

	Original Trust Fund HK\$	Accumulation Fund, Income Fund and General Fund HK\$	Surplus / (Deficit) for the year HK\$	Total HK\$
Balance at 31st March 2007	258,216,272	303,234,214	-	561,450,486
Transfer of donation amount	-	(18,314,524)	18,314,524	-
Net surplus for the year ended 31st March 2008	-	-	67,234,045	67,234,045
Transfer of funds	(54,121,494)	54,121,494	-	-
Allocation of surplus for the year	<u>36,069,983</u>	<u>49,478,586</u>	<u>(85,548,569)</u>	-
Balance at 31st March 2008	240,164,761	388,519,770	-	628,684,531
Transfer of donation amount	-	(21,042,598)	21,042,598	-
Net deficit for the year ended 31st March 2009	-	-	(149,888,852)	(149,888,852)
Transfer of funds	(64,512,315)	64,512,315	-	-
Allocation of deficit for the year	<u>(41,371,685)</u>	<u>(87,474,569)</u>	<u>128,846,254</u>	-
Balance at 31st March 2009	<u>134,280,761</u>	<u>344,514,918</u>	-	<u>478,795,679</u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2009

	Original Trust Fund HK\$	Accumulation Fund, Income Fund and General Fund HK\$	Surplus / (Deficit) for the year HK\$	Total HK\$
Balance at 31st March 2007	258,216,272	303,259,957	-	561,476,229
Transfer of donation amount	-	(18,314,524)	18,314,524	-
Net surplus for the year ended 31st March 2008	-	-	67,234,045	67,234,045
Transfer of funds	(54,121,494)	54,121,494	-	-
Allocation of surplus for the year	36,069,983	49,478,586	(85,548,569)	-
Balance at 31st March 2008	240,164,761	388,545,513	-	628,710,274
Transfer of donation amount	-	(21,042,598)	21,042,598	-
Net deficit for the year ended 31st March 2009	-	-	(149,888,852)	(149,888,852)
Transfer of funds	(64,512,315)	64,512,315	-	-
Allocation of deficit for the year	(41,371,685)	(87,474,569)	128,846,254	-
Balance at 31st March 2009	134,280,761	344,540,661	-	478,821,422

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2009

	2009 HK\$	2008 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(149,888,852)	67,234,045
Adjustments for:		
Decrease/(Increase) in fair value of investment properties	7,500,000	(15,400,000)
Operating (deficit)/surplus before working capital changes	(142,388,852)	51,834,045
Decrease/(Increase) in financial assets at fair value through profit or loss	161,074,831	(24,800,415)
Decrease/(Increase) in accounts receivable and deposits	17,605,192	(4,561,662)
Decrease in amount due from Alice Ho Miu Ling Nethersole Charity Foundation	142,384	2,895
Decrease in accounts payable and accruals	(1,647,191)	(13,469,850)
NET INCREASE IN CASH AND CASH EQUIVALENTS	34,786,364	9,005,013
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36,137,934	27,132,921
CASH AND CASH EQUIVALENTS AT END OF YEAR	70,924,298	36,137,934
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances and deposits with investment agents	70,924,298	36,137,934

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

NOTES ON THE ACCOUNTS

1. General

The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund ("the Fund") was established on 19th September 1997 with an endowment of HK\$465,234,061 by agreement between the Council for World Mission and the Board of Governors of the Alice Ho Miu Ling Nethersole Charity Foundation. The Fund is governed by a Trust Deed dated 19th September 1997. The Fund is managed by the Trustees of the Fund.

The address of the registered office and principal place of operation of the Fund is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories.

The principal activity of the Fund during the year is to support projects which help implement the Fund's objectives of spreading the knowledge of Christ throughout Hong Kong and China.

2. Principal accounting policies

(a) Basis of preparation

The accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ["HKFRSs"], which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ["HKICPA"], and accounting principles generally accepted in Hong Kong. The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties and financial assets at fair value through profit or loss.

The new and revised HKFRSs that are first effective for the current accounting year of the Fund are not relevant to the Fund's operations.

In addition, the Fund has not early adopted new and revised HKFRSs that are not yet effective for the current accounting year. The Board of Trustees of the Fund anticipate that the adoption of them is unlikely to have a significant impact on the Fund's accounts.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

2. Principal accounting policies (continued)

(b) Consolidation

The group accounts include the accounts of the Fund and of its subsidiary made up to 31st March. Inter-company transactions and balances within the Group are eliminated on consolidation.

(c) Revenue recognition

(i) Rental receivable from investment properties held for use in operating lease is accounted for, using a straight line basis, over the respective periods of the leases.

(ii) Interest income is recognised on a time apportionment basis.

(iii) Dividend income is recognised when the right to receive the income is established.

(iv) Donations are recognised when the funds have been received.

(d) Impairment losses

At each balance sheet date, where there is any indication that an asset (other than assets carried at revalued amounts) is impaired, the recoverable amount of the asset should be estimated. The recoverable amount of an asset is the higher of its net selling price and value in use. If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the income and expenditure account. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior year. The reversal is recorded as income.

(e) Investment properties

Property that is held for long-term rental yield is classified as investment property.

Investment properties comprise land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment properties because the definition of investment property is met and the fair value model is adopted for investment properties.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on existing use value. Changes in fair values are recognised in the income and expenditure account.

(f) Subsidiary company

A company is a subsidiary company if it is controlled by the Group (such as holding more than 50% of the issued voting capital). Investment in subsidiary company is stated in the Fund's balance sheet at cost less provision for any impairment losses.

Results of subsidiary company are accounted for, in the Fund's income and expenditure account, only to the extent of any dividends received and receivable.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

2. Principal accounting policies (continued)

(g) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are financial assets held for trading and is classified if:

- i) it has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) it is a derivative.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in the income and expenditure account in the period in which they arise. The net gain or loss recognized in the income and expenditure account includes any dividend or interest earned on the financial assets.

(h) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, unless the effect of discounting would be immaterial, in which case they are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

(i) Amount due from Alice Ho Miu Ling Nethersole Charity Foundation

Amount due from Alice Ho Miu Ling Nethersole Charity Foundation which have no fixed repayment term are stated at cost less, if applicable, provision for impairment losses.

(j) Accounts payable and accruals

Accounts payable and accruals are initially recognised at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Foreign currencies

The Group's functional and presentation currency is Hong Kong dollars.

Transactions arising in foreign currencies during the year are converted at exchange rates approximating to those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at year end are translated at rates of exchange approximating to those ruling at balance sheet date. All exchange differences are dealt with in the income and expenditure account.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

2. Principal accounting policies (continued)

(l) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits with banks and investment agents within 3 months to maturity from date of deposit.

(m) Related parties

For the purpose of these financial statements, a party is related to the Group if:

- (i) the party directly, or indirectly through one or more intermediaries;
 - (a) controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiary companies and fellow subsidiary companies);
 - (b) has an interest in the Group that gives it significant influence over the Group; or
 - (c) has joint control over the Group;
- (ii) the party is an associate of the Group;
- (iii) the party is a joint venture in which the Group is a venturer;
- (iv) the party is a member of the key management personnel of the Group;
- (v) the party is a close member of the family of any individual referred to (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Group.

3. (Deficit)/Surplus for the year

	Group and Fund	
	2009 HK\$	2008 HK\$
(Deficit)/Surplus for the year is stated after crediting and charging the following:		
<u>Crediting:</u>		
Rental income from investment properties	731,952	672,750
<u>Charging:</u>		
Auditors' remuneration	30,000	65,000

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

4. Trustees' remuneration

None of the Trustees received any remuneration in respect of their services to the Fund during the year (2008 : Nil).

5. Taxation

The Fund is a charitable institution and is exempt from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

6. Investment properties

	Group and Fund	
	2009 HK\$	2008 HK\$
Fair value		
At beginning of year	30,000,000	14,600,000
(Decrease)/Increase in fair value	(7,500,000)	15,400,000
At end of year	<u>22,500,000</u>	<u>30,000,000</u>

Investment properties carried at fair value are held under long leases in Hong Kong.

Investment properties are leased out under operating lease. The lease runs for a period of two years. The investment properties were revalued at 31st March 2009 on existing use value basis by RHL Appraisal Limited, independent qualified professional valuers not connected with the Fund. The deficit arising on the revaluation was debited to the income and expenditure account.

7. Subsidiary company - Fund

	2009 HK\$	2008 HK\$
Unlisted shares, at cost	<u>10</u>	<u>10</u>

Particulars of the subsidiary company are as follows:

Name	Place of incorporation	Percentage of equity held	Business nature
CWN/Nethersole Investment Company Limited	Hong Kong	100%	Acting as a trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

8. Financial assets at fair value through profit or loss

	Group and Fund	
	2009 HK\$	2008 HK\$
Listed equity securities, at market value	184,304,159	294,547,505
Listed debt securities, at market value	161,229,468	172,471,090
Fund investments, at market value	<u>38,497,300</u>	<u>78,087,163</u>
	<u>384,030,927</u>	<u>545,105,758</u>
representing:		
Original Trust Fund	127,655,076	225,656,529
Accumulation Fund, Income Fund and General Fund	<u>256,375,851</u>	<u>319,449,229</u>
	<u>384,030,927</u>	<u>545,105,758</u>

9. Accounts receivable and deposits

	Group		Fund	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Amount due from subsidiary company	-	-	165,013	150,005
Other receivables, prepayments and utility deposits	<u>1,825,312</u>	<u>19,430,504</u>	<u>1,825,312</u>	<u>19,430,504</u>
	<u>1,825,312</u>	<u>19,430,504</u>	<u>1,990,325</u>	<u>19,580,509</u>

At each balance sheet date, the accounts receivable were individually assessed to be impaired or not. As at 31st March 2009, no provision for impairment loss is determined for these receivables because all the receivables are not yet overdue.

10. Accounts payable and accruals

	Group and Fund	
	2009 HK\$	2008 HK\$
Sundry payables and accruals	352,570	1,999,761
Rental deposit received	<u>136,986</u>	<u>136,986</u>
	<u>489,556</u>	<u>2,136,747</u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

11. Original Trust Fund - Group and Fund

	2009 HK\$	2008 HK\$
At beginning of year	240,164,761	258,216,272
Less: Fund transferred to Accumulation Fund, Income Fund and General Fund (Remark 1)	(19,966,810)	(19,966,810)
Transfer of the net income and capital gain to Accumulation Fund, Income Fund and General Fund (Remark 2)	(44,545,505)	(34,154,684)
Add: (Deficit)/Surplus for the year	<u>(41,371,685)</u>	<u>36,069,983</u>
At end of year	<u>134,280,761</u>	<u>240,164,761</u>

Original Trust Fund represents funds originally transferred to the Fund.

Remarks:

- 1) The transfer of fund represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.
- 2) The transfer of net income and capital gain from Original Trust Fund to Accumulation Fund, Income Fund and General Fund are approved by the Trustees and in accordance with the Trust Deed.

12. Accumulation Fund, Income Fund and General Fund

	Group		Fund	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
At beginning of year	388,519,770	303,234,214	388,545,513	303,259,957
Add: Fund transferred from Original Trust Fund (Remark 1)	19,966,810	19,966,810	19,966,810	19,966,810
Transfer of the net income and capital gain from Original Trust Fund (Remark 2)	44,545,505	34,154,684	44,545,505	34,154,684
Add: (Deficit)/Surplus for the year	(87,474,569)	49,478,586	(87,474,569)	49,478,586
Less: Donations	<u>(21,042,598)</u>	<u>(18,314,524)</u>	<u>(21,042,598)</u>	<u>(18,314,524)</u>
At end of year	<u>344,514,918</u>	<u>388,519,770</u>	<u>344,540,661</u>	<u>388,545,513</u>

Accumulation Fund represents all capital growth in Original Trust Fund, Income Fund represents all income earned, and General Fund represents all monies received by the Fund which are not part of Accumulated Fund, Income Fund or Original Trust Fund.

Remarks:

- 1) The transfer of fund represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.
- 2) The transfer of net income and capital gain from Original Trust Fund to Accumulation Fund, Income Fund and General Fund are approved by the Trustees and in accordance with the Trust Deed.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

13. Approval of Funding for Projects

During the year, the Board of Trustees had approved approximately HK\$20.9 million (2008 - HK\$18.3 million) funding to a total of 82 applications (2008 - 68 applications).

14. Future minimum lease payments to be received

At balance sheet date, the Group/Fund had future aggregate minimum lease payments to be received under non-cancellable operating leases in respect of investment properties as set out below:

	2009 HK\$	2008 HK\$
Not later than one year	182,988	731,952
In the second to fifth years inclusive	-	182,988
	<u>182,988</u>	<u>914,940</u>

15. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Group during the year.

16. Financial assets and financial liabilities

(a) Categories of financial assets and liabilities

	2009 HK\$	2008 HK\$
Financial assets		
Current assets at fair value		
Financial assets at fair value through profit or loss	384,030,927	545,105,758
Current assets - at amortized cost:		
Accounts receivable and deposits (excluding prepayments)	1,988,245	19,580,509
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation	4,698	147,082
Bank and cash balances and deposits with investment agents	<u>70,785,018</u>	<u>36,013,662</u>
	<u>456,808,888</u>	<u>600,847,011</u>
Financial liabilities		
Current liabilities- at amortized cost:		
Accounts payable and accruals	<u>489,556</u>	<u>2,136,747</u>

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

16. Financial assets and financial liabilities (continued)

(b) Financial risk management objectives and policies

Exposure to market risks (specifically the foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk arises in the normal course of the Group's operation. These risks are limited by the Group's financial management policies and practices described below:

(i) Foreign currency risk

The Group is exposed to foreign currency risk primarily through investment transactions in financial assets at fair value through profit or loss and holding bank deposits denominated in currencies other than the functional currency of the operations to which they related. The currencies giving rise to the risk were primarily United States dollars and Euro.

Sensitivity analysis

At 31st March 2009, if the foreign exchange rates, other than United States dollar exchange rate to which the functional currency is linked, increased/decreased by 3% and with all other variables held constant, the Group's deficit for the year would be decrease/increase and the reserves would be increased/decreased by HK\$228,000 (Year ended 31.03.2008 - surplus and reserves increased/decreased by HK\$344,000).

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to the exposure to foreign currency risk for both derivative and non-derivative financial assets and liabilities in existence at that date.

(ii) Interest rate risk

The Group's bank deposits and deposits kept in investment agencies in an aggregate sum of HK\$67,391,600 (2008 - HK\$22,687,238) have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate.

Sensitivity analysis

At 31st March 2009, if the interest rate increased/decreased in 0.5% and with all other variables held constant, the Group's deficit for the year would be decreased/increased and reserves would be increased/decreased by HK\$337,000 (Year ended 31.03.2008 - surplus and reserves increased/decreased by HK\$113,000).

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial assets and liabilities in existence at that date.

THE COUNCIL FOR WORLD MISSION/
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Notes on the accounts

16. Financial assets and financial liabilities (continued)

(b) Financial risk management objectives and policies (continued)

(iii) Other price risk

The Group is not exposed to commodity price risk. However, the Group's financial assets at fair value through profit or loss in carrying amount of HK\$384,030,927 (2008 - HK\$545,105,758) expose to securities price risk.

Sensitivity analysis

At 31st March 2009, if the fair value of the Group's financial assets at fair value through profit or loss increased/decreased by 10% and with all other variables held constant, the Group's deficit for the year would be decreased/increased and reserves would be increased/decreased by HK\$38,403,000 (Year ended 31.03.2008 - surplus and reserves increased/decreased by HK\$54,511,000) respectively.

The sensitivity analysis above has been determined assuming that the change in fair value had occurred at the balance sheet date and had been applied to the exposure to equity securities price risk for financial assets at fair value through profit or loss.

(iv) Credit risk

The Group's credit risk is primarily attributable to accounts receivable. Management has a credit policy in place and the exposures to this credit risk is monitored on an ongoing basis.

Credit evaluations are performed on all debtors requiring credit over a certain amount. Normally, the Group does not obtain collateral from debtors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide any guarantees which would expose the Group to credit risk.

(v) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As at 31st March 2009 and 2008, the contractual maturities of all the Group's financial liabilities, whose carrying amounts are equal to total contracted undiscounted cash flows, are due within one year.

(c) Fair values

All financial assets and financial liabilities are carried at amounts not materially different from their fair values as at 31st March 2009 and 2008. Fair value of marketable investments is based on quoted market price at the balance sheet date without any deduction for transaction costs. The fair value of other financial assets and liabilities is estimated as the present value of future cash flows, discounted at current market interest rate.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

17. Capital management

The Group's capital management objectives are:

- (a) to ensure the Group's ability to continue as a going concern; and
(b) to support the Group's sustainable growth.

"Capital" is regarded as reserves of the Fund. The capital management strategy remains unchanged from prior year.

The Group sets the amount of reserves in proportion to its overall financing structure in a healthy level. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may raise fund by requesting donations or reduce donations made.

18. Accounting estimates and judgements

The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

Valuation of investment properties

As described in note 6 on the accounts, investment property is stated at fair value on the valuation performed by an independent professional valuer. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In replying on the valuation report, the management has exercised their judgement and satisfied that the method of valuation is reflective of the current and market condition.

Valuation of financial assets at fair value through profit or loss

The fair value of financial assets at fair value through profit or loss is based on market prices quoted, for equivalent instruments at the balance sheet date, by the financial institutions which provide investment agency services to the Fund.

FOR MANAGEMENT INFORMATION PURPOSES ONLY

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2009

	HK\$	2009 HK\$	2008 HK\$
DIVIDEND INCOME			
- listed investments		6,630,924	7,451,054
INTEREST INCOME		5,135,172	6,504,504
(LOSS)/GAIN ON DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(7,549,824)	52,372,450
(LOSS)/GAIN ON CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(122,792,394)	6,904,754
		(118,576,122)	73,232,762
INVESTMENT RELATED EXPENSES			
Management fees	1,475,399		1,946,985
Securities custodian fees	246,786		263,917
		1,722,185	2,210,902
		(120,298,307)	71,021,860
Gross rental income		731,952	672,750
Donation received		71,640	7,710
(Decrease)/Increase in fair value of investment properties		(7,500,000)	15,400,000
(Loss)/Gain on foreign exchange		(145,450)	17,359
		(127,140,165)	87,119,679
ADMINISTRATION AND OTHER EXPENSES			
Service fees charged by Alice Ho Miu Ling Nethersole Charity Foundation	1,508,688		1,231,446
Medical and insurance	15,038		15,143
Office supplies	5,197		-
Printing and stationery	4,540		10,213
Telephone and internet charges	41,691		2,711
Travelling expenses	67,852		34,312
Repairs and maintenance	8,520		3,895
Advertising	3,944		3,944
Expenses for anniversary celebration	-		182,415
Audit Fee	30,000		65,000
Bank charges	5,021		4,289
Sundry expenses	15,598		17,742
		1,706,089	1,571,110
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE DONATIONS		(128,846,254)	85,548,569
DONATIONS		21,042,598	18,314,524
(DEFICIT)/SURPLUS FOR THE YEAR AFTER DONATIONS		(149,888,852)	67,234,045

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 16 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : ma@fslco.com**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF****THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

We have audited the consolidated financial statements of the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund [the "Fund"] set out on pages 2 to 17, which comprise the consolidated and fund balance sheets as at 31st March 2010, and the consolidated and fund statements of comprehensive income, the consolidated and fund statements of changes in funds and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustees' responsibility for the financial statements

The Board of Trustees of the Fund are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Fund and of the Group as at 31st March 2010 and of the surplus of the Fund and the surplus and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities.

fslco.

F. S. Li & Co.
Certified Public Accountants

Hong Kong, 10th August 2010.

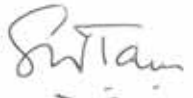
**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2010


	2010 HK\$	2009 HK\$
INCOME		
Gross rental income	731,952	731,952
Dividend income	5,714,243	6,630,924
Interest income		
Bonds	5,787,228	4,911,162
Banks and investment agents	19,435	224,010
Donations received	-	71,640
	<u>12,252,858</u>	<u>12,569,688</u>
Increase/(Decrease) in fair value of investment properties	4,500,000	(7,500,000)
Gain/(Loss) on disposal of financial assets at fair value through profit or loss	10,259,213	(7,549,824)
Gain/(Loss) on change in fair value of financial assets at fair value through profit or loss	94,645,286	(122,792,394)
Gain/(Loss) on foreign exchange	29,261	(145,450)
	<u>121,686,618</u>	<u>(125,417,980)</u>
DONATIONS	<u>(17,241,502)</u>	<u>(21,042,598)</u>
ADMINISTRATION AND OTHER EXPENSES	<u>(3,607,772)</u>	<u>(3,428,274)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	<u>100,837,344</u>	<u>(149,888,852)</u>

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
CONSOLIDATED BALANCE SHEET AT 31ST MARCH 2010

	Note	HKS	2010 HKS	2009 HKS
NON-CURRENT ASSETS				
Investment properties	6		27,000,000	22,500,000
CURRENT ASSETS				
Financial assets at fair value through profit or loss	8	481,223,916		384,030,927
Accounts receivable and deposits	9	23,524,571		1,825,312
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		210,113		4,698
Bank and cash balances and deposits with investment agents		48,443,314		70,924,298
		553,401,914		456,785,235
Less: CURRENT LIABILITIES				
Accounts payable and accruals	10	768,891		489,556
NET CURRENT ASSETS			552,633,023	456,295,679
NET ASSETS			579,633,023	478,795,679
<i>representing:</i>				
RESERVES				
Original Trust Fund	11		137,638,034	134,280,761
Accumulation Fund, Income Fund and General Fund	12		441,994,989	344,514,918
			579,633,023	478,795,679

Approved by the Board of Trustees on 10th August 2010.


Trustee


Trustee

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2010

	Original Trust Fund HKS	Accumulation Fund, Income Fund and General Fund HKS	Surplus / (Deficit) for the year HKS	Total HKS
Balance at 31st March 2008	240,164,761	388,519,770	-	628,684,531
Transfer of donation amount	-	(21,042,598)	21,042,598	-
Net deficit for the year ended 31st March 2009	-	-	(149,888,852)	(149,888,852)
Transfer of funds	(64,512,315)	64,512,315	-	-
Allocation of deficit for the year	(41,371,685)	(87,474,569)	128,846,254	-
Balance at 31st March 2009	134,280,761	344,514,918	-	478,795,679
Transfer of donation amount	-	(17,241,502)	17,241,502	-
Net surplus for the year ended 31st March 2010	-	-	100,837,344	100,837,344
Transfer of funds	(29,086,930)	29,086,930	-	-
Allocation of surplus for the year	32,444,203	85,634,643	(118,078,846)	-
Balance at 31st March 2010	137,638,034	441,994,989	-	579,633,023

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2010

	Note	2010 HK\$	2009 HK\$
INCOME			
Gross rental income		731,952	731,952
Dividend income		5,714,243	6,630,924
Interest income			
Bonds		5,787,228	4,911,162
Banks and investment agents		19,435	224,010
Donations received		-	71,640
		<u>12,252,858</u>	<u>12,569,688</u>
Increase/(Decrease) in fair value of investment properties		4,500,000	(7,500,000)
Gain/(Loss) on disposal of financial assets at fair value through profit or loss		10,259,213	(7,549,824)
Gain/(Loss) on change in fair value of financial assets at fair value through profit or loss		94,645,286	(122,792,394)
Gain/(Loss) on foreign exchange		29,261	(145,450)
		<u>121,686,618</u>	<u>(125,417,980)</u>
DONATIONS		(17,241,502)	(21,042,598)
ADMINISTRATION AND OTHER EXPENSES		<u>(3,607,772)</u>	<u>(3,428,274)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>100,837,344</u>	<u>(149,888,852)</u>

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

BALANCE SHEET AT 31ST MARCH 2010

	Note	2010 HK\$	2009 HK\$
NON-CURRENT ASSETS			
Investment properties	6	27,000,000	22,500,000
Subsidiary company	7	10	10
		<u>27,000,010</u>	<u>22,500,010</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	8	481,223,916	384,030,927
Accounts receivable and deposits	9	23,691,584	1,990,325
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		210,113	4,698
Bank and cash balances and deposits with investment agents		<u>48,302,034</u>	<u>70,785,018</u>
		553,427,647	456,810,968
Less: CURRENT LIABILITIES			
Accounts payable and accruals	10	<u>768,891</u>	<u>489,556</u>
NET CURRENT ASSETS		<u>552,658,756</u>	<u>456,321,412</u>
NET ASSETS		<u>579,658,766</u>	<u>478,821,422</u>
<i>representing:</i>			
RESERVES			
Original Trust Fund	11	137,638,034	134,280,761
Accumulation Fund, Income Fund and General Fund	12	<u>442,020,732</u>	<u>344,540,661</u>
		<u>579,658,766</u>	<u>478,821,422</u>

Approved by the Board of Trustees on 10th August 2010.



Trustee



Trustee

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2010

	Original Trust Fund HK\$	Accumulation Fund, Income Fund and General Fund HK\$	Surplus / (Deficit) for the year HK\$	Total HK\$
Balance at 31st March 2008	240,164,761	388,545,513	-	628,710,274
Transfer of donation amount	-	(21,042,598)	21,042,598	-
Net deficit for the year ended 31st March 2009	-	-	(149,888,852)	(149,888,852)
Transfer of funds	(64,512,315)	64,512,315	-	-
Allocation of deficit for the year	(41,371,685)	(87,474,569)	128,846,254	-
Balance at 31st March 2009	134,280,761	344,540,661	-	478,821,422
Transfer of donation amount	-	(17,241,502)	17,241,502	-
Net surplus for the year ended 31st March 2010	-	-	100,837,344	100,837,344
Transfer of funds	(29,086,930)	29,086,930	-	-
Allocation of surplus for the year	32,444,203	85,634,643	(118,078,846)	-
Balance at 31st March 2010	137,638,034	442,020,732	-	579,658,766

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

	2010 HK\$	2009 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	100,837,344	(149,888,852)
Adjustments for:		
(Increase)/Decrease in fair value of investment properties	(4,500,000)	7,500,000
Operating surplus/(deficit) before working capital changes	96,337,344	(142,388,852)
(Increase)/Decrease in financial assets at fair value through profit or loss	(97,192,989)	161,074,831
(Increase)/Decrease in accounts receivable and deposits	(21,699,259)	17,605,192
(Increase)/Decrease in amount due from Alice Ho Miu Ling Nethersole Charity Foundation	(205,415)	142,384
Increase/(Decrease) in accounts payable and accruals	279,335	(1,647,191)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(22,480,984)	34,786,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	70,924,298	36,137,934
CASH AND CASH EQUIVALENTS AT END OF YEAR	48,443,314	70,924,298
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances and deposits with investment agents	48,443,314	70,924,298

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

NOTES ON THE ACCOUNTS

1. General

The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund ("the Fund") was established on 19th September 1997 with an endowment of HK\$465,234,061 by agreement between the Council for World Mission and the Alice Ho Miu Ling Nethersole Charity Foundation (formerly known as The Executive Committee of The Alice Ho Miu Ling Nethersole Hospital). The Fund is governed by a Trust Deed dated 19th September 1997. The Fund is managed by the Trustees of the Fund.

The address of the registered office and principal place of operation of the Fund is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories.

The principal activity of the Fund during the year is to support projects which help implement the Fund's objectives of spreading the knowledge of Christ throughout Hong Kong and China.

2. Principal accounting policies

(a) Basis of preparation

This is the first set of financial statements prepared by the Fund in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants. This represents change of adoption of financial reporting standards as previously the Fund adopted Hong Kong Financial Reporting Standards ("HKFRSs"). The change of adoption has no financial effect on the accounts and did not result in significant changes in accounting policies.

The accounts have been prepared under the historical cost convention except that investment properties and financial assets at fair value through profit or loss are stated at fair value.

(b) Consolidation

The group accounts include the accounts of the Fund and of its subsidiary made up to 31st March. Inter-company transactions and balances within the Group are eliminated on consolidation.

(c) Revenue recognition

- (i) Rental receivable from investment properties held for use in operating lease is accounted for, using a straight line basis, over the respective periods of the leases.
- (ii) Interest income is recognised as it accrues using the effective interest method.
- (iii) Dividend income is recognised when the right to receive the income is established.
- (iv) Donations are recognised when the funds have been received.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**
Notes on the accounts

2. Principal accounting policies (continued)

(d) Investment properties

Property that is held for long-term rental yield is classified as investment property.

Investment properties comprise land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment properties because the definition of investment property is met and the fair value can be measured.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on existing use value. Changes in fair values are recognised in profit or loss.

(e) Subsidiary company

A company is a subsidiary company if it is controlled by the Group (such as holding more than 50% of the issued voting capital). Investment in subsidiary company is stated in the Fund's balance sheet at cost less provision for any impairment losses.

Results of subsidiary company are accounted for, in the Fund's profit or loss only to the extent of any dividends received and receivable.

(f) Financial instruments

To account for financial instruments (financial assets and liabilities), the Fund chooses to apply the recognition and measurement provision of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" of HKFRSs and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

(g) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are financial assets held for trading and is classified if:

- i) it has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) it is a derivative.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

2. Principal accounting policies (continued)

(h) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, unless the effect of discounting would be immaterial, in which case they are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

(i) Amount due from Alice Ho Miu Ling Nethersole Charity Foundation

Amount due from Alice Ho Miu Ling Nethersole Charity Foundation, which has no fixed repayment term, is stated at cost less, if applicable, provision for impairment losses.

(j) Accounts payable and accruals

Accounts payable and accruals are initially recognised at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Foreign currencies

The Group's functional and presentation currency is Hong Kong dollars.

Transactions arising in foreign currencies during the year are converted at exchange rates approximating to those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at year end are translated at rates of exchange approximating to those ruling at balance sheet date. All exchange differences are dealt with in profit or loss.

(l) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits with banks and investment agents within 3 months to maturity from date of deposit.

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

2. Principal accounting policies (continued)

(m) Related parties

For the purposes of these financial statements, a party is related to the Group if:

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (a) is a member of the key management personnel of the Group or of a parent of the Group;
 - (b) has control over the Group; or
 - (c) has joint control or significant influence over the Group or has significant voting power in it.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);
 - (c) both entities are joint ventures of a third entity;
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the plan;
 - (f) the entity is controlled or jointly controlled by a person identified in Note 2(m)(i);
 - (g) a person identified in Note 2(m)(i)(a) has significant voting power in the entity;
 - (h) a person identified in Note 2(m)(i)(b) has significant influence over the entity or significant voting power in it;
 - (i) a person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Group;
 - (j) a member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Group or has significant voting power in it.

3. Surplus/(Deficit) for the year

	Group/Fund	
	2010 HK\$	2009 HK\$
Surplus/(Deficit) for the year is stated after crediting and charging the following:		
<u>Crediting:</u>		
Rental income from investment properties	731,952	731,952
<u>Charging:</u>		
Auditors' remuneration	31,000	30,000

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

4. Trustees' remuneration

None of the Trustees received any remuneration in respect of their services to the Fund during the year (2009 : Nil).

5. Taxation

The Fund is a charitable institution and is exempt from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

6. Investment properties

	Group/Fund	
	2010 HK\$	2009 HK\$
Fair value		
At beginning of year	22,500,000	30,000,000
Increase/(Decrease) in fair value	4,500,000	(7,500,000)
At end of year	27,000,000	22,500,000

Investment properties are held under long leases in Hong Kong.

Investment properties are leased out under operating lease. The lease runs for a period of two years. The investment properties were revalued at 31st March 2009 and 2010 on existing use value basis by RHL Appraisal Limited, independent qualified professional valuers not connected with the Fund. The surplus/(deficit) arising on the revaluation was credited/charged to profit or loss.

7. Subsidiary company - Fund

	2010 HK\$	2009 HK\$
Unlisted shares, at cost	10	10

Particulars of the subsidiary company are as follows:

Name	Place of incorporation	Percentage of equity held	Business nature
CWN/Nethersole Investment Company Limited	Hong Kong	100%	Acting as a trustee

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

8. Financial assets at fair value through profit or loss

	Group/Fund	
	2010 HK\$	2009 HK\$
Listed equity securities, listed debt securities and fund investments, at market value	481,223,916	384,030,927
representing:		
Original Trust Fund	127,803,231	127,655,076
Accumulation Fund, Income Fund and General Fund	353,420,685	256,375,851
	481,223,916	384,030,927

9. Accounts receivable and deposits

	Group		Fund	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Amount due from subsidiary company	-	-	167,013	165,013
Other receivables, prepayments and utility deposits	23,524,571	1,825,312	23,524,571	1,825,312
	23,524,571	1,825,312	23,691,584	1,990,325

10. Accounts payable and accruals

	Group/Fund	
	2010 HK\$	2009 HK\$
Current account with an investment agent	218,165	-
Sundry payables and accruals	412,540	352,570
Rental deposit received	138,186	136,986
	768,891	489,556

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

11. Original Trust Fund - Group/Fund

	2010 HK\$	2009 HK\$
At beginning of year	134,280,761	240,164,761
Less: Fund transferred to Accumulation Fund, Income Fund and General Fund (Remark 1)	(19,966,810)	(19,966,810)
Transfer of the net income and capital gain to Accumulation Fund, Income Fund and General Fund (Remark 2)	(9,120,120)	(44,545,505)
Add: Surplus/(Deficit) for the year	32,444,203	(41,371,685)
At end of year	137,638,034	134,280,761

Original Trust Fund represents funds originally transferred to the Fund.

Remarks:

- 1) The transfer of fund represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.
- 2) The transfer of net income and capital gain from Original Trust Fund to Accumulation Fund, Income Fund and General Fund are approved by the Trustees and in accordance with the Trust Deed.

12. Accumulation Fund, Income Fund and General Fund

	Group		Fund	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
At beginning of year	344,514,918	388,519,770	344,540,661	388,545,513
Add: Fund transferred from Original Trust Fund (Remark 1)	19,966,810	19,966,810	19,966,810	19,966,810
Transfer of the net income and capital gain from Original Trust Fund (Remark 2)	9,120,120	44,545,505	9,120,120	44,545,505
Add: Surplus/(Deficit) for the year	85,634,643	(87,474,569)	85,634,643	(87,474,569)
Less: Donations	(17,241,502)	(21,042,598)	(17,241,502)	(21,042,598)
At end of year	441,994,989	344,514,918	442,020,732	344,540,661

Accumulation Fund represents all capital growth on Original Trust Fund, Income Fund represents all income earned, and General Fund represents all monies received by the Fund which are not part of the Accumulated Fund, Income Fund or Original Trust Fund.

Remarks:

- 1) The transfer of fund represents the annual maximum 5% drawings from Original Trust Fund to Accumulation Fund, Income Fund and General Fund according to the Trust Deed.
- 2) The transfer of net income and capital gain from Original Trust Fund to Accumulation Fund, Income Fund and General Fund are approved by the Trustees and in accordance with the Trust Deed.

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

13. Approval of Funding for Projects

During the year, the Board of Trustees had approved approximately HK\$17.8 million (2009 - HK\$20.9 million) funding to a total of 75 applications (2009 - 82 applications).

14. Future minimum lease payments to be received

At balance sheet date, the Group/Fund had future aggregate minimum lease payments to be received under non-cancellable operating leases in respect of investment properties as set out below:

	2010 HK\$	2009 HK\$
Not later than one year	731,952	182,988
In the second to fifth years inclusive	182,988	-
	914,940	182,988

15. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Group during the year.

16. Categories of financial assets and liabilities

	2010 HK\$	2009 HK\$
Financial assets		
Current assets at fair value		
Financial assets at fair value through profit or loss	481,223,916	384,030,927
Current assets - at amortized cost:		
Accounts receivable and deposits (excluding prepayments)	23,521,425	1,823,232
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation	210,113	4,698
Bank and cash balances and deposits with investment agents	48,443,314	70,924,298
	553,398,768	456,783,155
Financial liabilities		
Current liabilities- at amortized cost:		
Accounts payable and accruals	768,891	489,556

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND
Notes on the accounts

17. Accounting estimates and judgements

The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

Valuation of investment properties

As described in note 6 on the accounts, investment property is stated at fair value on the valuation performed by an independent professional valuer. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In replying on the valuation report, the management has exercised their judgement and satisfied that the method of valuation is reflective of the current and market condition.

Valuation of financial assets at fair value through profit or loss

The fair value of financial assets at fair value through profit or loss is based on market prices quoted, for equivalent instruments at the balance sheet date, by the financial institutions which provide investment agency services to the Fund.

FOR MANAGEMENT INFORMATION PURPOSES ONLY

THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2010

	HK\$	2010 HK\$	2009 HK\$
DIVIDEND INCOME			
- listed investments		5,714,243	6,630,924
INTEREST INCOME		5,806,663	5,135,172
GAIN/(LOSS) ON DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		10,259,213	(7,549,824)
GAIN/(LOSS) ON CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		94,645,286	(122,792,394)
		116,425,405	(118,576,122)
INVESTMENT RELATED EXPENSES			
Management fees	1,628,209		1,475,399
Securities custodian fees	185,366		246,786
		1,813,575	1,722,185
		114,611,830	(120,298,307)
Gross rental income		731,952	731,952
Donation received		-	71,640
Increase/(Decrease) in fair value of investment properties		4,500,000	(7,500,000)
Gain/(Loss) on foreign exchange		29,261	(145,450)
		119,873,043	(127,140,165)
ADMINISTRATION AND OTHER EXPENSES			
Service fees charged by Alice Ho Miu Ling Nethersole Charity Foundation	1,462,285		1,508,688
Medical and insurance	17,110		15,038
Office supplies	6,758		5,197
Printing and stationery	6,281		4,540
Telephone and internet charges	9,365		41,691
Travelling expenses	63,112		67,852
Repairs and maintenance	171,890		8,520
Advertising	3,944		3,944
Audit Fee	31,000		30,000
Bank charges	6,640		5,021
Sundry expenses	15,812		15,598
		1,794,197	1,706,089
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE DONATIONS		118,078,846	(128,846,254)
DONATIONS		(17,241,502)	(21,042,598)
SURPLUS/(DEFICIT) FOR THE YEAR AFTER DONATIONS		100,837,344	(149,888,852)

世界傳道會

那打素投資
有限公司CWM/Nethersole Investment
Company Limited

財政報告

Audited Financial Statements
(2007-2010)CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDDIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The Company acted as a trustee for The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund during the year.

RESULTS

During the year, all of the company's income and expenses were absorbed by its ultimate holding entity. Accordingly, no income statement has been prepared.

DIRECTORS

The directors during the year and up to the date of this report were:

Chan Chi Kin
Chow Kun Chee, Roland
Fung Sau Chung
Kwan Ko Siu Wah
Lee Ching Chee
Li Fook Hing
So Shing Yit, Eric
Soo Yee Po, Thomas
Tam Sheung Wai
Yick Kar Lim
Sit Poon Ki, Simon

(appointed on 9 June 2007)
(resigned on 31 May 2007)

In accordance with Article 7 of the company's Articles of Association, all directors retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

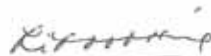
CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

AUDITOR

During the year, Messrs. PricewaterhouseCoppers, who act as auditor of the Company, resigned and Messrs. Deloitte Touche Tohmatsu was appointed as auditor of the Company.

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board



DIRECTOR

5 August 2008

Deloitte.
德勤

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
CWM/NETHERSOLE INVESTMENT COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of CWM/Nethersole Investment Company Limited (the "Company") set out on pages 5 to 13, which comprise the balance sheet as at 31 March 2008, and statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
CWM/NETHERSOLE INVESTMENT COMPANY LIMITED - continued
(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2008 and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
5 August 2008

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**BALANCE SHEET**
AT 31 MARCH 2008

	NOTES	2008 HK\$	2007 HK\$
Current asset			
Bank balances and cash		124,272	102,256
Current liability			
Amount due to immediate holding company	9	150,005	127,989
Net current liability		(25,733)	(25,733)
Capital and reserve			
Share capital	10	10	10
Accumulated loss		(25,743)	(25,743)
		(25,733)	(25,733)

The financial statements on pages 5 to 13 were approved and authorised for issue by the Board of Directors on 5 August 2008 and are signed on its behalf by:



DIRECTOR



DIRECTOR

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2008

	<u>Share capital HK\$</u>	<u>Accumulated loss HK\$</u>	<u>Total HK\$</u>
At 1 April 2006, 31 March 2007 and 2008	<u>10</u>	<u>(25,743)</u>	<u>(25,733)</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDCASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008

	<u>2008 HK\$</u>	<u>2007 HK\$</u>
OPERATING ACTIVITIES		
Profit before taxation	-	-
Increase (decrease) in amount due to immediate holding company	<u>22,016</u>	<u>(1,833)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,016	(1,833)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>102,256</u>	<u>104,089</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>124,272</u>	<u>102,256</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. GENERAL

The Company is a private limited liability company incorporated in Hong Kong. The Company's immediate holding company is The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund (the "Trust Fund"), a Trust Fund established and managed by the Trustees. The address of the registered office and principal place of business is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

The Company acted as a trustee for the Trust Fund during the year.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis because the Company's Trust Fund has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due in the foreseeable future.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Company has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Company financial year beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 financial reporting in hyperinflationary economies
HK(IFRIC) - INT 8	Scope of HKFRS 2
HK(IFRIC) - INT 9	Reassessment of embedded derivatives
HK(IFRIC) - INT 10	Interim financial reporting and impairment

The adoption of these new HKFRSs had no material effect on how the results and financial position of the Company for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Company has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

The Company has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²
HKFRS 2 (Amendment)	Vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business combinations ²
HKFRS 8	Operating segments ¹
HK(IFRIC) - INT 11	HKFRS 2: Group and treasury share transactions ³
HK(IFRIC) - INT 12	Service concession arrangements ⁴
HK(IFRIC) - INT 13	Customer loyalty programmes ⁵
HK(IFRIC) - INT 14	HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction ⁴

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective for annual periods beginning on or after 1 March 2007.

⁴ Effective for annual periods beginning on or after 1 January 2008.

⁵ Effective for annual periods beginning on or after 1 July 2008.

The Board of Directors of the Company anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis as explained in the accounting policies set out below.

The financial statements have been prepared in accordance with HKFRSs.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period.

Interest income for debt instruments and interest expenses is recognised on an effective interest basis.

Financial assets

The Company's financial assets are mainly loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables including bank balances and cash are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued**Financial liabilities and equity**

Financial liabilities and equity instruments issued by an entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company's financial liability, including amount due to immediate holding company, is subsequently measured at amortised cost, using the effective interest method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire or transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and any cumulative gain or loss that had been recognised directly in equity is recognised in income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in income statement.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies which are described in note 4, management had made all reasonable judgements and no specific judgements had significant effect on the amounts recognised in the financial statements. All accounting policies are consistent with the Company's policies.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

6. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company is mainly the equity attributable to equity holders of the Company.

The directors of the Company review the capital structure on a periodic basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Company will balance its overall capital structure through the inter company settlement with its immediate holding company.

7. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Company's major financial instruments include bank balances and cash and amount due to immediate holding company. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposure and ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with bank with good credit rating.

Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deems adequate by the management to finance the Company's operation and mitigate the effects of fluctuations in cash flows.

The Company relies on financial support from its intermediate holding company, The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund, which has agreed to provide adequate funds for the Company as a significant source of liquidity.

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

8. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profits for the year.

9. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The amount is unsecured, interest free and repayable on demand.

10. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$1 each		
Authorised		
At 31 March 2007 and 31 March 2008	10,000	10,000
Issued and fully paid		
At 31 March 2007 and 31 March 2008	10	10

11. RELATED PARTY TRANSACTION

Other than disclosed in note 9 to the financial statements, the Company did not have other significant transactions and balances with related companies.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their report together with audited accounts of the Company for the year ended 31st March 2009.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was to act as a trustee for The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund.

REGISTERED OFFICE

The Company's registered office is at Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

RESULTS AND APPROPRIATIONS

During the year, all of the Company's income and expenses were absorbed by its holding company. Accordingly, no income and expenditure has been prepared.

DIRECTORS

The directors of the Company during the year were:

Chan Chi Kin
Chow Kun Chee, Roland
Fung Sau Chung
Kwan Ko Siu Wah
Lee Ching Chee
Li Fook Hing
So Shing Yit, Eric
Soo Yee Po, Thomas
Tam Sheung Wai
Yick Kar Lim

In accordance with Article 7 of the Company's Articles of Association, all directors retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED*Report of the directors***DIRECTORS' INTERESTS**

No contracts of significance to which the Company or its holding company was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or its holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the Company were entered into or existed during the year.

AUDITORS

The accounts have been audited by F.S. Li & Co., Certified Public Accountants, who retire and being eligible offer themselves for re-appointment.

On behalf of the Board



Chairman

Hong Kong, 27th August 2009.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1901 Admiralty Centre Tower 1, 18 Hancourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslco.com**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF****CWM/NETHERSOLE INVESTMENT COMPANY LIMITED***(incorporated in Hong Kong with limited liability)*

We have audited the financial statements of CWM/Nethersole Investment Company Limited set out on pages 4 to 10, which comprise the balance sheet as at 31st March 2009, and statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2009 and of its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 27th August 2009.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**BALANCE SHEET AT 31ST MARCH 2009**

	Note	2009 HK\$	2008 HK\$
CURRENT ASSETS			
Bank balances		139,280	124,272
Less: CURRENT LIABILITIES			
Amount due to holding company	5	165,013	150,005
NET CURRENT LIABILITIES		(25,733)	(25,733)
 <i>representing:</i>			
CAPITAL AND RESERVE			
Share capital	6	10	10
Accumulated loss		(25,743)	(25,743)
		(25,733)	(25,733)

Approved by the Board of Directors on 27th August 2009.

Director

Director

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2009

	<u>Share capital</u> HK\$	<u>Accumulated loss</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2007, 31st March 2008, and 31st March 2009	<u>10</u>	<u>(25,743)</u>	<u>(25,733)</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDCASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	<u>2009</u> HK\$	<u>2008</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advances from holding company	<u>15,008</u>	<u>22,016</u>
NET CASH FROM FINANCING ACTIVITIES	<u>15,008</u>	<u>22,016</u>
INCREASE IN CASH AND CASH EQUIVALENTS	15,008	22,016
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>124,272</u>	<u>102,256</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>139,280</u>	<u>124,272</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	<u>139,280</u>	<u>124,272</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**NOTES ON THE ACCOUNTS****1. Principal accounting policies****(a) Basis of preparation**

The accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ["HKFRSs"], which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ["HKICPA"], and accounting principles generally accepted in Hong Kong. The accounts have been prepared under the historical cost convention.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting year of the Company. These HKFRSs are not relevant to the Company's operation.

In addition, the Company has not early adopted new and revised HKFRSs that are not yet effective for the current accounting year. The directors of the Company anticipate that the adoption of them is unlikely to have a significant impact on the Company's accounts.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposit with banks within 3 months to maturity from date of deposit.

(c) Functional and presentation currency

The Company's functional and presentation currency is Hong Kong dollars.

(d) Impairment losses

At each balance sheet date, where there is any indication that an asset is impaired, the recoverable amount of the asset should be estimated. The recoverable amount of an asset is the higher of its net selling price and value in use. If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the income and expenditure account. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior year. The reversal is recorded as income.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED*Notes on the Accounts***1. Principal accounting policies (continued)****(e) Amount due to holding company**

Amount due to holding company, which has no repayment term, is stated at cost (instead of amortised cost).

(f) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided for in full on all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(g) Related parties

For the purpose of these financial statements, a party is related to the Company if:

- (i) the party directly, or indirectly through one of more intermediaries; :
 - (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiary companies and fellow subsidiary companies);
 - (b) has an interest in the Company that gives it significant influence over the Company; or
 - (c) has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company;
- (v) the party is a close member of the family of any individual referred to (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2. Directors' remuneration

None of the directors received any remuneration in respect of their services to the Company during the year (2008 - Nil).

3. Taxation

No provision for Hong Kong profits tax has been made as there are no assessable income nor deductible expenses for the year (2008 - Nil).

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED
*Notes on the Accounts***4. Directors' remuneration**

None of the directors received any remuneration in respect of their services to the Company during the year (2008- Nil).

5. Amount due to holding company

The amount due to holding company is unsecured, interest free and there is no fixed repayment term.

6. Share capital

	2009 HK\$	2008 HK\$
Authorized:		
10,000 ordinary shares of HK\$1 each	10,000	10,000
Issued and fully paid:		
10 ordinary shares of HK\$1 each	10	10

7. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Company during the year.

8. Financial assets and financial liabilities**(a) Categories of financial assets and liabilities**

	2009 HK\$	2008 HK\$
Financial assets - at amortised cost:		
Current accounts		
Bank balances	139,280	124,272
Financial liabilities - at amortised cost:		
Current liabilities		
Amount due to holding company	165,013	150,005

(b) Financial risk management objectives and policies

Exposure to market risks (specifically the foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk arises in the normal course of the Company's operation. These risks are limited by the Company's financial management policies and practices described below:

(i) Foreign currency risk, interest rate risk and other price risk

In the normal course of the Company's operation, the Company is not exposed to foreign currency risk, interest rate risk and other price risk.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED
*Notes on the Accounts***8. Financial assets and financial liabilities (continued)****(b) Financial risk management objectives and policies (continued)****(ii) Credit risk**

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Company does not provide any guarantees which would expose the Company to credit risk. The Company's credit risk is insignificant as the Company's assets are bank deposits.

(iii) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As at 31st March 2009 and 2008, the contractual maturities of all the Company's financial liabilities, whose carrying amounts are equal to total contracted undiscounted cash flows, are due within one year.

(c) Fair values

All financial assets and financial liabilities are carried at amounts not materially different from their fair values as at 31st March 2009 and 2008. The fair values of financial assets and liabilities are estimated as the present value of future cash flows, discounted at current market interest rate.

9. Capital management

The Company's capital management objective is to continue as a going concern.

"Capital" is regarded as shareholders' equity. The Company manages capital by regularly monitoring its current and liquidity requirements rather than using debt/equity ratio analysis. The capital management strategy remains unchanged from prior year.

In order to maintain or adjust the capital structure, the Company may raise funds from its holding company.

10. Activity

The Company was to act as a trustee for its holding company during the year. All of the Company's income and expenses during the year were absorbed by its holding company, and therefore no income and expenditure account has been prepared.

11. Ultimate holding party

The directors consider the Company's ultimate holding party to be The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund, a fund established in Hong Kong.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDREPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with audited accounts of the Company for the year ended 31st March 2010.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was to act as a trustee for The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund.

REGISTERED OFFICE

The Company's registered office is at Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

RESULTS AND APPROPRIATIONS

During the year, all of the Company's income and expenses were absorbed by its holding company. Accordingly, no income statement has been prepared.

DIRECTORS

The directors of the Company during the year were:

Chan Chi Kin
Chow Kun Chee, Roland
Fung Sau Chung
Kwan Ko Siu Wah
Lee Ching Chee
Li Fook Hing
So Shing Yit, Eric
Soo Yee Po, Thomas
Tam Sheung Wai
Yiek Kar Lim

In accordance with Article 7 of the Company's Articles of Association, all directors retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED*Report of the Directors***DIRECTORS' INTERESTS**

No contracts of significance to which the Company or its holding company was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or its holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the Company were entered into or existed during the year.

AUDITORS

The accounts have been audited by F.S. Li & Co., Certified Public Accountants, who retire and being eligible offer themselves for re-appointment.

On behalf of the Board



Chairman

Hong Kong, 10th August 2010.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS
1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong
Tel: 2861 1717 Fax: 2865 6828 Email: mail@fsli.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**

(incorporated in Hong Kong with limited liability)

We have audited the financial statements of CWM/Nethersole Investment Company Limited set out on pages 4 to 9, which comprise the balance sheet as at 31st March 2010, and statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 2010 and of its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 10th August 2010.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**BALANCE SHEET AT 31ST MARCH 2010**

	Note	2010 HK\$	2009 HK\$
CURRENT ASSETS			
Bank balances		141,280	139,280
Less: CURRENT LIABILITIES			
Amount due to holding company	6	167,013	165,013
NET CURRENT LIABILITIES		(25,733)	(25,733)
 <i>representing:</i>			
CAPITAL AND RESERVE			
Share capital	7	10	10
Accumulated loss		(25,743)	(25,743)
		(25,733)	(25,733)

Approved by the Board of Directors on 10th August 2010.

Director

Director

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2010

	<u>Share capital HK\$</u>	<u>Accumulated loss HK\$</u>	<u>Total HK\$</u>
Balance at 31st March 2008, 31st March 2009, and 31st March 2010	<u>10</u>	<u>(25,743)</u>	<u>(25,733)</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITEDCASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	<u>2010 HK\$</u>	<u>2009 HK\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advances from holding company	<u>2,000</u>	<u>15,008</u>
NET CASH FROM FINANCING ACTIVITIES	<u>2,000</u>	<u>15,008</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,000	15,008
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>139,280</u>	<u>124,272</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>141,280</u>	<u>139,280</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	<u>141,280</u>	<u>139,280</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED**NOTES ON THE ACCOUNTS****1. Reporting entity**

CWM/Nethersole Investment Company Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office is at Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

2. Principal accounting policies**(a) Basis of preparation**

This is the first set of financial statements prepared by the Company in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants. This represents change of adoption of financial reporting standards as previously the Company adopted Hong Kong Financial Reporting Standards ("HKFRSs"). The change of adoption has no financial effect on the accounts and did not result in significant changes in the Company's accounting policies. The accounts have been prepared under the historical cost convention.

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposit with banks within 3 months to maturity from date of deposit.

(c) Functional and presentation currency

The Company's functional and presentation currency is Hong Kong dollars.

(d) Impairment losses

At each balance sheet date, where there is any indication that an asset is impaired, the recoverable amount of the asset should be estimated. The recoverable amount of an asset is the higher of its net selling price and value in use. If the recoverable amount is less than the carrying amount, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the income and expenditure account. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior year. The reversal is recorded as income.

(e) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided for in full on all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED*Notes on the Accounts***2. Principal accounting policies (continued)****(f) Amount due to holding company**

Amount due to holding company, which has no repayment term, is stated at cost (instead of amortised cost).

(g) Related parties

For the purposes of these financial statements, a party is related to the Company if:

- (i) A person or a close member of that person's family is related to the Company if that person:
 - (a) is a member of the key management personnel of the Company or of a parent of the Company;
 - (b) has control over the Company; or
 - (c) has joint control or significant influence over the Company or has significant voting power in it.
- (ii) An entity is related to the Company if any of the following conditions applies:
 - (a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);
 - (c) both entities are joint ventures of a third entity;
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the plan;
 - (f) the entity is controlled or jointly controlled by a person identified in Note 2(g)(i);
 - (g) a person identified in Note 2(g)(i)(a) has significant voting power in the entity;
 - (h) a person identified in Note 2(g)(i)(b) has significant influence over the entity or significant voting power in it;
 - (i) a person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Company;
 - (j) a member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Company or has significant voting power in it.

3. Directors' remuneration

None of the directors received any remuneration in respect of their services to the Company during the year (2009 - Nil).

4. Taxation

No provision for Hong Kong profits tax has been made as there are no assessable income nor deductible expenses for the year (2009 - Nil).

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED
*Notes on the Accounts***5. Directors' remuneration**

None of the directors received any remuneration in respect of their services to the Company during the year (2009- Nil).

6. Amount due to holding company

The amount due to holding company is unsecured, interest free and there is no fixed repayment term.

7. Share capital

	2010 HK\$	2009 HK\$
Authorized: 10,000 ordinary shares of HK\$1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid: 10 ordinary shares of HK\$1 each	<u>10</u>	<u>10</u>

8. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Company during the year.

9. Categories of financial assets and liabilities

	2010 HK\$	2009 HK\$
Financial assets - at amortised cost:		
Current accounts		
Bank balances	<u>141,280</u>	<u>139,280</u>
Financial liabilities - at amortised cost:		
Current liabilities		
Amount due to holding company	<u>167,013</u>	<u>165,013</u>

10. Activity

The Company was to act as a trustee for its holding company during the year. All of the Company's income and expenses during the year were absorbed by its holding company, and therefore no income statement has been prepared.

11. Ultimate holding party

The directors consider the Company's ultimate holding party to be The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund, a fund established in Hong Kong.